

Value Analysis Program



FY03 Annual Report



October 2003

Prepared by
Caltrans VA Branch

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FHWA Annual Report

FHWA VALUE ENGINEERING STUDY SUMMARY REPORT

Division/State: California

Fiscal Year: 2003

1. Number of VE studies completed this year.

In-house	Consultant	Total
0	30	30

2. Cost of performing the VE studies completed this year.

In-house	Consultant	Administrative	Total
\$645,685	\$973,514	\$304,050	\$1923,249

3. Estimated construction costs of projects studied.

In-house	Consultant	Total
0	\$2,648,695,000	\$2,648,695,000

4. Number & Value of *All Proposed* VE Recommendations this year.

	In-House Led	Consultant Led	Total
Initial Cost Savings	0	\$281,380,595	\$281,380,595
Initial Cost Increases	0	\$16,357,008	\$16,357,008
No. Recommendations	0	187	187
Average Scope Performance Improvement	0	16%	16%
Average Value Improvement (Scope Improvement/ Project Costs)	0	28%	28%

5. Number & Value of *Approved & Conditionally Approved* VE recommendations (including carryover projects from other years).

Approved

	In-House Led	Consultant Led	Total
Initial Cost Savings	0	\$101,459,070	\$101,459,070
Initial Cost Increases	0	\$22,525,000	\$22,525,000
No. Recommendations	0	58	58
Average Scope Performance Improvement	0	8%	8%
Average Value Improvement (Scope Improvement/ Project Costs)	0	11%	11%
Acceptance Rate (No. Alt. Accepted/ Proposed) w/ CA	0	31%	31%

Conditionally Approved (CA)

Figures that may be added to Accepted Alternatives (awaiting final approval)

	In-House Led	Consultant Led	Total
Initial Cost Savings (in addition to Accepted)	0	\$50,541,000	\$50,541,000
Initial Cost Increases (in addition to Accepted)	0	\$7,412,000	\$7,412,000
No. Recommendations (in addition to Accepted)	0	15	15
Average Scope Performance Improvement (Accepted + CA)	0	11%	11%
Average Value Improvement (Scope Improvement/ Project Costs, Accepted + CA)	0	16%	16%
Acceptance Rate (Accepted + CA))	0	39%	39%

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6. Life-cycle cost (cost avoidance) savings from VE studies.

Proposed Recommendations

	In-House Led	Consultant Led	Total
Initial Costs(Savings-Increases) *	0	\$242,050,807	\$242,050,807
Subsequent Costs(Savings – Increases)	0	\$16,357,008	\$16,357,008
Highway User (Savings – Increases)	0	\$177,374,000	\$177,374,000
Total (Net Present Value) LCC Savings (Savings- Increases)	0	\$435,781,815	\$435,781,815

* See Item 4 (Sum of Positive and Negative Initial Cost Savings)

Accepted Recommendations

	In-House Led	Consultant Led	Total
Initial Costs(Savings-Increases) *	0	\$78,934,070	\$78,934,070
Subsequent Costs(Savings – Increases)	0	\$5,118,988	\$5,118,988
Highway User (Savings – Increases)	0	\$75,726,000	\$75,726,000
Total (NPV) LCC Savings (Savings- Increases)	0	\$159,779,058	\$159,779,058

* See Item 5 (Sum of Positive and Negative Initial Cost Savings)

Conditionally Accepted Recommendations

Figures that may be added to **Accepted Alternatives (awaiting final approval)**

	In-House Led	Consultant Led	Total
Initial Costs(Savings-Increases) *)	0	\$43,129,000	\$43,129,000
Subsequent Costs(Savings – Increases)	0	0	0
Highway User (Savings – Increases)	0	0	0
Total (NPV) LCC Savings (Savings- Increases)	0	\$43,129,000	\$43,129,000

* See Item 5 (Sum of Positive and Negative Initial Cost Savings)

7. Total VE-related training costs (include an estimate of salaries of persons attending, travel cost and local incidental costs \$135,960).

8. Number of employees trained in VE during fiscal year.

a. FHWA 0

b. State and Others 57

9. Number of construction **VECP's** submitted 26

10. Number of construction **VECP's** approved 25

11. Savings from approved construction VECPS.

In-house Value	0
Contractor Value	\$ 2,511,494.86
Total	\$ 2,511,494.86

FHWA VALUE ENGINEERING STUDY SUMMARY REPORT

Carryover Projects (To be reported in FY 2004 or subsequent years)

12. Number of VE studies started before the end of FY 2002 and are in the process of being completed.

In-house	Consultant	Total
0	26	26

13. Cost of performing the VE studies being carried over to subsequent years.

In-house	Consultant	Administrative	Total
\$505,080	\$818,898	\$331,252	\$1,655,231

14. Estimated construction costs of projects studied.

In-house	Consultant	Total
0	\$3,200,015,000	\$3,200,015,000

15. Number & Value of *All Proposed* VE Recommendations this year.

	In-House Led	Consultant Led	Total
Initial Cost Savings	0	\$497,804,780	\$497,804,780
Initial Cost Increases	0	\$59,140,419	\$59,140,419
No. Recommendations	0	164	164
Average Scope Performance Improvement	0	18%	18%
Average Value Improvement (Scope Improvement/ Project Costs)	0	25%	25%

16. Number & Value of *Approved & Conditionally Approved* VE recommendations
(including carryover projects from other years).

Approved

	In-House Led	Consultant Led	Total
Initial Cost Savings	0	\$15,834,980	\$15,834,980
Initial Cost Increases	0	\$4,231,345	\$4,231,345
No. Recommendations	0	18	18
Average Scope Performance Improvement	0	11%	11%
Average Value Improvement (Scope Improvement/ Project Costs)	0	11%	11%
Acceptance Rate (No. Alt. Accepted/ Proposed) w/ CA	0	19%	19%

Conditionally Approved (CA)

Figures that may be added to Accepted Alternatives (awaiting final approval)

	In-House Led	Consultant Led	Total
Initial Cost Savings (in addition to Accepted)	0	\$347,074,800	\$347,074,800
Initial Cost Increases (in addition to Accepted)	0	\$51,516,074	\$51,516,074
No. Recommendations (in addition to Accepted)	0	69	69
Average Scope Performance Improvement (Accepted + CA)	0	17%	17%
Average Value Improvement (Scope Improvement/ Project Costs, Accepted + CA)	0	19%	19%
Acceptance Rate (Accepted + CA))	0	53%	53%

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17. Life-cycle cost (cost avoidance) savings from VE studies.

Proposed Recommendations

	In-House Led	Consultant Led	Total
Initial Costs(Savings-Increases) *	0	\$438,664,361	\$438,664,361
Subsequent Costs(Savings – Increases)	0	\$406,012	\$406,012
Highway User (Savings – Increases)	0	\$15,377,325	\$15,377,325
Total (Net Present Value) LCC Savings (Savings- Increases)	0	\$453,635,674	\$453,635,674

* See Item 4 (Sum of Positive and Negative Initial Cost Savings)

Accepted Recommendations

	In-House Led	Consultant Led	Total
Initial Costs(Savings-Increases) *	0	\$11,603,635	\$11,603,635
Subsequent Costs(Savings – Increases)	0	0	0
Highway User (Savings – Increases)	0	\$3,833,000	\$3,833,000
Total (NPV) LCC Savings (Savings- Increases)	0	\$15,436,635	\$15,436,635

* See Item 5 (Sum of Positive and Negative Initial Cost Savings)

Conditionally Accepted Recommendations

Figures that may be added to **Accepted Alternatives (awaiting final approval)**

	In-House Led	Consultant Led	Total
Initial Costs(Savings-Increases) *	0	\$295,558,726	\$295,558,726
Subsequent Costs(Savings – Increases)	0	\$117,988	\$117,988
Highway User (Savings – Increases)	0	\$937,325	\$937,325
Total (NPV) LCC Savings (Savings- Increases)	0	\$296,614,039	\$296,614,039

* See Item 5 (Sum of Positive and Negative Initial Cost Savings)